

Message Text

UNCLASSIFIED

PAGE 01 STATE 121226

43

ORIGIN EB-11

INFO OCT-01 EUR-25 TRSE-00 ADP-00 INT-08 SCEM-02 L-03

RSC-01 /051 R

DRAFTED BY EB/ ORF/ FSE: FAMAU: CJR

6/21/73 EXT 20536

APPROVED BY EB/ ORF - MR. KATZ

EUR/ CAN - MR. SMITH (SUBS)

TREASURY - MR. PARSKY

----- 017918

R 211817 Z JUN 73

FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA

UNCLAS STATE 121226

E. O. 11652 N/ A

TAGS: ENRG

SUBJECT: CANADIAN OIL

1. EMBASSY IS REQUESTED TO DELIVER THE FOLLOWING LETTER FROM MR. WILLIAM SIMON, CHAIRMAN, OIL POLICY COMMITTEE, TO DR. R. D. HOWLAND, CHAIRMAN, NATIONAL ENERGY BOARD. SIGNED ORIGINAL WILL BE POUCHED.

2. QUOTE: DEAR DR. HOWLAND:

IN DISCUSSION WITH MR. NORMAN CHAPPELL OF THE CANADIAN

EMBASSY, WE WERE TOLD THAT IT MIGHT BE HELPFUL TO THE DELIBERATIONS OF THE NATIONAL ENERGY BOARD WERE WE TO COMMUNICATE OUR THINKING CONCERNING THE RELATIONSHIP OF CANADIAN CRUDE EXPORT CONTROLS AND THE UNITED STATES OIL IMPORT CONTROL PROGRAM.

AS OF JUNE 1, 1973, THE FOLLOWING AUTHORIZATIONS FOR THE IMPORTATION OF CANADIAN CRUDE AND UNFINISHED OILS WERE:

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 121226

DISTRICT I- IV

B/ D

INITIAL (REGULAR) ALLOCATION (ISSUED) 663,741

NGL ALLOCATIONS (PENDING) 113,000

SUB TOTAL 776,741

OIL IMPORT APPEALS BOARD GRANTS 40,545

CONVERSIONS FROM OFFSHORE 62,808

TOTAL 880,094

DISTRICT V

B/ D

INITIAL ALLOCATIONS (ISSUED) 280,000

NGL ALLOCATIONS (PENDING) -0-

TOTAL 280,000

THE TOTAL DISTRICT I- IV IMPORT LEVEL FOR CANADIAN
CRUDE AND UNFINISHED OILS IS 960,000 B/ D. OSTENSIBLY,
THIS LEAVES 183,259 B/ D UNALLOCATED. IN DISTRICT V
WE HAVE ALLOCATED THE ENTIRE 280,000 B/ D. SOME
ALLOCATIONS WILL BE FOR NEW OR REACTIVATED FACILITIES
REQUIRING CANADIAN CRUDE.

INCLUDING NGL' S THE QUANTITY AVAILABLE FOR IMPORTATION
INTO DISTRICTS I- IV FROM CANADA DURING JUNE IS 879,488
B/ D AND INTO DISTRICT V, 241,229 B/ D. ASSUMING THAT
PERMISSIBLE EXPORTS IN OTHER MONTHS APPROXIMATE THESE
QUANTITIES, LICENSES CURRENTLY ISSUED IN DISTRICTS
I- IV AND V WILL EXCEED THE QUANTITIES AVAILABLE FOR
IMPORTATION. IN ADDITION, WE UNDERSTAND THAT APPROXI-
MATELY 40,000 B/ D OF CRUDE OIL FOR DIRECT BURNING IS
INCLUDED IN YOUR LICENSED EXPORTS INTO DISTRICTS I- IV,
BUT IS NOT INCLUDED IN OUR LICENSED IMPORTS OF CRUDE
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 121226

AND UNFINISHED OILS BECAUSE IT IS CONSIDERED A FINISHED
PRODUCT UNDER THE OIL IMPORT CONTROL PROGRAM. THEREFORE,
THE DIFFERENCE IS GREATER THAN INDICATED BY THIS AMOUNT.

IN THE FUTURE, WE INTEND TO MAKE FEE EXEMPT LICENSES
AVAILABLE, FIRST, TO THOSE PERSONS MOST DEPENDENT UPON

CANADIAN OIL. WE HAVE ASKED THE OIL IMPORT APPEALS BOARD TO ADHERE TO THIS GUIDELINE. WE ALSO HOPE TO SUPPLY EXISTING LEVELS OF DEMAND FOR CRUDE OIL BY ALL USERS BEFORE AUTHORIZING CANADIAN IMPORTS NECESSARY TO FILL NEW DEMANDS. IN OUR VIEW, THE FOLLOWING ORDER OF PRIORITY BY CATEGORY OF IMPORTERS IS PREFERRED.

1. EXISTING QUANTITIES OF CRUDE IMPORTED FOR DIRECT BURNING BY UTILITIES.
2. REGULAR ALLOCATIONS (CRUDE).
3. NGL ALLOCATIONS.
4. OIAB GRANTS.
5. STARTER ALLOCATIONS.
6. CONVERSION OF OFFSHORE LICENSES.
7. FEE PAID LICENSES.

WE HOPE THAT OUR COMMENTS WILL BE OF SOME ASSISTANCE TO YOU AS YOU DEVELOP THE EXPORT ALLOCATIONS SYSTEM. WE WOULD BE MOST HAPPY TO PROVIDE FURTHER INFORMATION IF YOU WISH.

SINCERELY YOURS,

WILLIAM E. SIMON UNQUOTE. ROGERS

UNCLASSIFIED

NNNNMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 21 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE121226
Document Source: CORE
Document Unique ID: 00
Drafter: FAMAU: CJR
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730625/aaaajjt.tel
Line Count: 150
Locator: TEXT ON-LINE
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 16 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16-Oct-2001 by phillir0>; APPROVED <28 FEB 2002 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> wfs 980217
Subject: CANADIAN OIL
TAGS: ENRG, CA
To: OTTAWA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005